



Iowa Department of Human Services

Terry E. Branstad
Governor

Kim Reynolds
Lt. Governor

Charles M. Palmer
Director

INFORMATIONAL LETTER NO.1577-MC

DATE: November 19, 2015

TO: Iowa Medicaid Home Health Agencies

FROM: Iowa Department of Human Services, Iowa Medicaid Enterprise (IME)

RE: Managed Care Rate Floors for Private Duty Nursing and Personal Care Services

EFFECTIVE: January 1, 2016

On January 1, 2016, most Iowa Medicaid members will be enrolled in a single managed care program. This new approach for the Medicaid program was previously referred to as Medicaid Modernization or through the formal Request for Proposal (RFP) name of the Iowa High Quality Healthcare Initiative. The program will now be branded as IA Health Link. Most of Iowa Medicaid's 550,000 members as well as CHIP, *hawk-i* and Iowa Health and Wellness Plan members will be enrolled in the IA Health Link program with one of the contracted MCOs (currently four MCOs).

Under IA Health Link, providers will establish negotiated reimbursement rates with the MCOs. As part of this transition, DHS is establishing a reimbursement rate floor for most provider types. In creating a rate floor, DHS considered the following:

- MCOs must extend an offer to providers at the defined provider rate floor; however, plans and providers can mutually agree to reimbursement or a structure other than the floor.
- How best to provide stability for members and providers yet enable the MCOs to manage their provider networks.
- Impact on MCO capitation rates which were based on historical Medicaid paid claims data and adjustments.
- How the numerous current Medicaid reimbursement methodologies work today and will work in the future with the move to a comprehensive managed care environment.
- MCO network adequacy requirements across geographical and service types.

Informational Letter [1562](#)¹ summarized the rate floor by provider type. For private duty nursing and personal care services provided by Home Health Agencies the rate floor will be equal to the lowest state-wide Medicaid fee-for-service (FFS) rate in effect on July 1, 2015.

¹ https://dhs.iowa.gov/sites/default/files/1562_ManagedCareOrganizationProviderReimbursementRateFloors.pdf

The rate floors will be established as follows effective January 1, 2016:

Description	Procedure Code	Rate	Unit Description
Home health aide or certified nurse assistant, providing care in the home	S9122	\$14.22	Per hour
Private duty/independent nursing service(s), licensed	T1000	\$6.18	Per 15 minute

Further Questions

Please submit any questions to costaudit@dhs.state.ia.us.